

House Engrossed Senate Bill

FILED

**MICHELE REAGAN
SECRETARY OF STATE**

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

**CHAPTER 300
SENATE BILL 1161**

AN ACT

AMENDING SECTION 48-574, ARIZONA REVISED STATUTES; RELATING TO IMPROVEMENT DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-574, Arizona Revised Statutes, is amended to
3 read:

4 48-574. Improvement districts for operation, maintenance,
5 repair and improvement of pedestrian malls,
6 off-street parking facilities, retention and
7 detention basins and parkings and parkways

8 A. In addition to the purposes for which an improvement district
9 may be formed under the provisions of section 48-572, an improvement
10 district may be formed for the sole purpose of the operation, maintenance,
11 repair and improvements of pedestrian malls, off-street parking
12 facilities, RETENTION AND DETENTION BASINS and parkings and parkways.

13 B. Subject to the powers granted and the limitations contained in
14 this section, the powers and duties of the governing body of the
15 municipality and the procedure to be followed shall be as provided in this
16 article for other types of special improvement districts.

17 C. If a petition for the formation of an improvement district under
18 the provisions of this section is presented to the governing body
19 purporting to be signed by all of the real property owners in the proposed
20 district, exclusive of mortgagees and other lienholders, the governing
21 body, after verifying the property ownership and making a finding of that
22 fact, shall adopt a resolution of intention to order the improvement
23 pursuant to the provisions of section 48-576 and shall have immediate
24 jurisdiction to adopt the resolution ordering the improvement pursuant to
25 the provisions of section 48-581, without the necessity of the publication
26 and posting of the resolution of intention provided for in section 48-578.

27 D. The governing body shall make annual statements and estimates of
28 the expenses of the district, which shall be provided for either:

29 1. By the levy and collection of ad valorem taxes upon the assessed
30 value of all the real and personal property in the district.

31 2. By assessment of the total sum upon the several lots, each
32 respectively in proportion to the benefits to be received by each lot.

33 E. If the expenses of the district are provided for by ad valorem
34 taxes, the governing body shall publish notice, have hearings and adopt
35 the taxes at the times and in the manners provided for incorporated cities
36 and towns by the applicable portions of title 42, chapter 17, article
37 3. The governing body, on or before the third Monday in August of each
38 year, shall fix, levy and assess the amount to be raised by ad valorem
39 taxes upon all of the property of the district. If the expenses of the
40 district are assessed upon the several lots in proportion to the benefits
41 received by each lot, the governing body shall follow the procedures
42 established in section 48-575 for the assessment and collection of the
43 assessments. All statutes providing for the levy and collection of
44 general county taxes, including the collection of delinquent taxes and

1 sale of property for nonpayment of taxes, shall be applicable to the
2 district taxes provided for under this section.

3 F. An improvement district formed under the provisions of this
4 section shall not be authorized to issue improvement bonds.

5 G. No improvement district formed under the provisions of this
6 section shall be authorized to engage in any activity other than as
7 provided in subsection A of this section. If the municipality is willing
8 to participate in the cost of the district, the governing body may, by
9 resolution, summarily order such participation.

10 H. The formation of an improvement district under the provisions of
11 this section shall not prevent the subsequent establishment of improvement
12 districts for any other purpose authorized by law.

13 I. If, in the opinion of the governing body, any portion of the
14 territory of a district formed under this section is no longer benefited
15 by being a part of the district, the governing body may, by resolution,
16 summarily delete from the district formed under this section any area and
17 may form a new district from the balance of the original district formed
18 under this section.

19 J. If, in the opinion of the governing body, territory adjacent to
20 a district formed under this section would benefit from being a part of
21 the district, the governing body, by resolution, may include the territory
22 in the district formed under this section if the following conditions are
23 met:

24 1. Improvements that meet the standards and specifications
25 established by the governing body have been constructed in the territory
26 and will be used for the purposes of the district.

27 2. Any required public dedications of property have been made or
28 will be made before the inclusion of the territory in the district.

29 3. Including the territory in the district will not adversely
30 affect the district.

31 4. Notice of the proposed inclusion of the territory in the
32 district has been published in five consecutive issues of a daily
33 newspaper or two consecutive issues of a weekly or semiweekly newspaper of
34 general circulation published in the municipality and a public hearing has
35 been held to consider the inclusion of the territory in the district.

36 5. Notice has been sent by first class mail at least ten days prior
37 to the hearing specified in paragraph 4 of this subsection with an
38 accurate map of the territory proposed for inclusion in the district to
39 each owner of real and personal property within the district and in the
40 proposed area of inclusion as shown on the statement furnished pursuant to
41 subsection K of this section that is now or would be subject to taxation
42 by the district in the event of inclusion of the proposed area.

43 K. The county assessor and the department of revenue, respectively,
44 shall furnish to the district within thirty days after a request a
45 statement in writing showing the name and the address of each owner of

1 real and personal property within the district and in the proposed area of
2 inclusion that is now or that would be subject to taxation by the district
3 in the event of inclusion of the proposed area.

4 L. Within ten days after the governing body adopts a resolution
5 pursuant to subsection J of this section, the municipality shall record
6 the resolution in the office of the county recorder in the county in which
7 the district is located to give notice of the inclusion of the territory
8 in the district to all property owners in the district. If, before the
9 governing body adopts the resolution pursuant to subsection J of this
10 section, a majority of the property owners, by area, of either the
11 original district formed under this section or the territory proposed to
12 be included in the district files with the governing board written
13 objections to the proposed inclusion of the territory, the territory shall
14 not be included in the district.

15 M. Within ten days after adoption of the resolution of intention to
16 order the improvement pursuant to section 48-576, the municipality shall
17 record the resolution in the office of the county recorder in the county
18 in which the district is located to give notice of formation of the
19 district to all property owners within the district.

20 N. For the purposes of this subsection, a property owner is an
21 owner of real property, exclusive of mortgagees and other lienholders,
22 that is within an improvement district that was formed as prescribed by
23 this section. A property owner may petition the governing body to dissolve
24 the district pursuant to the following procedures:

25 1. A property owner shall file with the clerk of the governing body
26 in which the district is located a written notice of the property owner's
27 intent to circulate a petition to dissolve the district. The notice shall
28 include the name, address and telephone number of at least one property
29 owner living within the district who intends to circulate the petition,
30 the name, location and general purpose of the district which is to be
31 dissolved and a true and concise statement of two hundred words or less
32 explaining the advantages of dissolving the district. A petition shall
33 not be circulated for thirty days after the property owner files with the
34 governing body the notice of intent to circulate a dissolution petition.

35 2. The governing body may provide a form of petition to be used to
36 dissolve the district. Any petition shall include the statement provided
37 in the notice of intent to circulate a petition regarding the advantages
38 of dissolving the district.

39 3. The governing body may provide a true and concise written
40 statement of two hundred words or less regarding the petition or
41 dissolution of the district. If so provided, the property owner must
42 circulate this statement affixed to the petition.

43 4. Property owners shall submit to the clerk of the governing body
44 a petition for the dissolution of an improvement district formed under

1 this section that purports to be signed by more than fifty per cent of the
2 property owners in the district.

3 5. Within twenty days of receipt of the signed petition, the
4 governing body shall verify that the petition is signed by more than fifty
5 per cent of the property owners as set forth in paragraph 4 of this
6 subsection.

7 6. If the governing body finds the petition contains valid
8 signatures of more than fifty per cent of the property owners, the
9 governing body shall set the date for dissolution of the district within
10 ninety days. The district may continue to operate after dissolution only
11 as needed to collect money and make payments on any outstanding district
12 obligations.

13 7. Each property in the district with outstanding assessments or
14 liens attached shall remain subject to those assessments or liens for
15 payment of the existing obligations of the district, notwithstanding
16 dissolution of the district.

17 8. If a district formed under this section subsequently dissolves
18 as prescribed in this subsection, the governing body may not attempt to
19 form any district for the same purpose for at least two years after the
20 date the district is dissolved if the proposed district includes lands
21 formerly located within the dissolved district.

22 9. Districts that are located in slum or blighted areas as defined
23 in section 36-1471 are exempt from subsection N of this section.

APPROVED BY THE GOVERNOR MAY 10, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 10, 2017.

Passed the House April 17, 20 17,

Passed the Senate February 16, 2017,

by the following vote: 57 Ayes,

by the following vote: 27 Ayes,

1 Nays, 1 Not Voting

2 Nays, 1 Not Voting

Jim Drake
Speaker of the House

Stan B. Gardberg
President of the Senate

Jim Drake
Chief Clerk of the House

Susan O'Connell
Secretary of the Senate

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR~~

~~This Bill was received by the Governor this~~

~~_____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary to the Governor~~

~~Approved this _____ day of~~

~~_____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Governor of Arizona~~

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE~~

~~This Bill was received by the Secretary of State~~

~~this _____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary of State~~

S.B. 1161

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 8, 20 17

by the following vote: 20 Ayes,

8 Nays, 2 Not Voting

Steven B. Williams
President of the Senate

Susan Owens
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

8th day of May, 20 17

at 12:11 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 10th day of

May

at 10:32 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 10 day of May, 20 17

at 12:16 o'clock P M.

Michelle Reagan
Secretary of State

S.B. 1161